REMARKS

Applicant has carefully reviewed the Application in light of the Office Action dated April 8, 2004. At the time of the Office Action, Claims 1-2, 4-6, 8-46, 48, 50, and 52-59 were pending, and the Examiner rejected Claims 1-2, 4-6, 8-46, 48, 50, and 52-59. Applicant respectfully requests reconsideration of the pending claims and favorable action in this case. Applicant has responded to each notation by the Examiner.

Section 112 Rejections

Applicant notes with appreciation Examiner's withdrawal of the rejection of Claims 1-2, 4-6, and 8-18 under U.S.C. § 112, second paragraph.

Section 103 Rejections

The Examiner rejected Claims 1-2, 4-6, 8-13, 15-27, 29-41, 43-46, 48, 50, 52-53, and 58 under 35 U.S.C. § 103(a) as unpatentable over U.S. Patent 5,905,736 issued to Ronen et al. ("*Ronen*") and further in view of U.S. Patent No. 5,889,863 issued to Weber ("*Weber*"). The Examiner rejected Claims 14, 28, 42, 54-57, and 59 under 35 U.S.C. § 103(a) as unpatentable over *Ronen* in view *Weber* as applied to Claim 13 above, and further in view of U.S. Patent No. 6,138,107 issued to Elgamal ("*Elgamal*"). For the following reasons, Applicant respectfully requests reconsideration and allowance of all pending claims.

The Claims are Allowable over the Cited References

To defeat a patent under 35 U.S.C. § 103, "the prior art references must teach or suggest all the claim limitations." *In re Vaeck*, 947 F.2d 488 (Fed. Cir. 1991); M.P.E.P. § 706.02(j). Applicant respectfully submits that the proposed combinations of references do not disclose, teach, or suggest each and every element recited in Applicant's claims.

For example, the Examiner relies on the *Ronen-Weber* combination in rejecting Applicant's independent Claim 1. Claim 1 recites a processor which is operable to "determine whether the financial transaction involves a micro-payment," and to then handle the transaction in one of two different ways, depending on whether or not it was determined that the transaction involves a micro-payment. Specifically, if the financial transaction involves a micro-payment, the processor is operable to "generate a third message indicating authorization of the financial transaction." On the other hand, if the financial transaction

does not involve a micro-payment, the processor is operable to "generate an authorization request." While other actions could be taken based upon whether a micro-payment is involved, the claims at least recite: 1) generating an authorization request if no micro-payment is involved and 2) generating a message indicating authorization of the transaction if a micro-payment is involved.

Thus, the claimed invention handles authorization of a transaction differently based upon whether a micro-payment is involved. In the Office Action, the Examiner relies on *Ronen* for disclosure of "determin[ing] whether the financial transaction involves a micro-payment" and "generat[ing] a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment." *Ronen*, however, merely discloses a system for centralized billing. *Ronen* discloses that "[t]he user, in availing him or herself of the centralized billing functionality, first establishes a desired billing mechanism with a billing mechanism." (Col. 4, lines 1-3). To establish the billing mechanism, "the user provides his or her selected choices for how charges for transactions on the Internet are to be billed." (Col. 4, lines 22-24). "These choices may include a specific credit card, an account associated with a telephone number, or a debit account to be billed." (Col. 4, lines 24-26).

Once the user has established the billing mechanism, *Ronen* discloses that "the user may interact with any desired ISP(s) to complete one or more transactions." The authorization process described at Col. 5, line 45 through Col. 6, line 3 of *Ronen*. Specifically, *Ronen* suggests that as long as an "entry exists for the ISP [sic IP] address of the initiating user" and a "billing mechanism is in place, ISP 106 is signaled over the secured link, to authorize the transaction." (Col. 5, lines 61-66). "Once the transaction is completed by ISP 106, transaction server 109 is signaled by ISP 106 to bill the account associated with the IP address for the specific charges associated with the transaction." (Col. 5, line 67 through Col. 6, line 3). Thus, the authorization mechanism disclosed in *Ronen* seems to handle all authorizations in the same manner for all transactions. Moreover, authorization is given based upon having a billing mechanism in place and having an entry in a database, not on any criteria concerning the amount of the payment.

Additionally, Applicant respectfully submits that the charges for information services disclosed in Table 1 of *Ronen* are not equivalent to Applicant's micro-payments as the Examiner suggests. (Office Action, page 6). While *Ronen* allows a user to designate different accounts for payment based upon the amount of the transaction (Col. 2, lines 16-30),

the designations are merely used to select the appropriate account to be authorized and charged. The above cited passages from *Ronen* indicate that there is no difference in the authorization process. In fact, *Ronen* teaches that a user's account is billed after the user terminates his session with an IAP. (Col. 6, lines 12-51). The passages concerning billing say nothing about authorization. The fact that a user's telephone account can be billed for certain charges similarly does not teach any differing treatment of authorization for micro-payments. One of ordinary skill would understand that charges to a telephone number would generally require authorization. Otherwise, the newspapers would be filled with stories of thieves who signed up for telephone number billing and charged thousands of dollars of items to the phone number and then disappeared.

Furthermore, Applicant respectfully submits that the deficiencies of *Ronen* are not made up for by the disclosure of *Weber*. *Weber* also does not disclose a system that handles authorization of a transaction differently based upon whether a micro-payment is involved. To the contrary, the cited passages of *Weber* merely disclose the "detailed steps of generating and transmitting a payment authorization request." (Col. 15, lines 59-60). Thus, a "merchant computer system 130 creates a basic authorization request 510 . . . that includes all the information for determining whether a request should be granted or denied." (Col. 15, lines 62-66). "Specifically, it includes such information as the party who is being charged, the amount to be charged, the account number of the account to be charged, and any additional data, such as passwords, needed to validate the charge." (Col. 15, line 66 through Col. 16, line 3). *Weber* further discloses that the authorization request is transmitted to a payment gateway computer system, which processes the payment authorization request, generates a payment authorization response and transmits it back to the merchant's computer system. (Col. 15, lines 46-52). Accordingly, *Weber* is limited to a system that allows the merchant computer system to determine in a conventional manner "whether payment for the goods or services sought to be obtained by the customer has been authorized." (Col. 15, lines 52-56).

For at least these reasons, Applicant submits that neither *Ronen*, *Weber*, nor their combination disclose, teach, or suggest a processor operable to "determine whether the financial transaction involves a micro-payment" and "generate a third message indicating authorization of the financial transaction if the financial transaction involves a micro-payment," as recited in Applicant's Claim 1. Accordingly, Applicant respectfully requests reconsideration and allowance of Claim 1.

Independent Claims 19, 33, and 48 also recite an invention in which an authorization process handles authorization of a transaction differently based upon whether a micro-payment is involved. Accordingly, for reasons similar to those discussed above with regard to Claim 1, Applicant respectfully submits that neither *Ronen*, *Weber*, nor their combination teach each and every element recited in Applicant's Claims 19, 33, and 48. Claims 2, 4-6, 8-18, and 55 depend directly or indirectly upon Claim 1. Claims 20-46 and 56-57 depend directly or indirectly upon Claim 33. Claims 50, 52-54, and 58-59 depend directly or indirectly upon Claim 48. Thus, for the same reasons that independent Claims 1, 19, 33, and 48, these dependent claims are also allowable.

One of Ordinary Skill in the Art Would not have been Motivated to Make the Proposed *Ronen-Weber* Combination

Moreover, assuming for purposes or argument that the proposed combination discloses the limitations of Applicant's claims, which Applicant disputes, it would not have been obvious to one skilled in the art to make the combination. The mere fact that references can be combined does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills,* 916 F.2d 680 (Fed. Cir. 1990). The showing must be clear and particular. *See, e.g., C.R. Bard v. M3 Sys., Inc.*, 48 USPQ.2d 1225, 1232 (Fed. Cir. 1998). The Examiner has not provided adequate evidence of the required motivation or suggestion to make the proposed combination. The Examiner merely speculates "it would have been obvious" to modify *Ronen* "to incorporate the feature of generating an authorization request if the financial transactions are for larger payments through credit and debit cards [larger than micro-payments which are a couple of dollars and/or cents as per a pre-defined threshold corresponding to the charges for information services in *Ronen*]." (Office Action, page 7). The Examiner has not shown any motivation to combine and instead simply relies upon hindsight.

It is improper for an Examiner to use hindsight having read the Applicant's disclosure to arrive at an obviousness rejection. *In re* Fine, 837 F.2d 1071, 1075, 5 U.S.P.Q.2d 1596, 1600 (Fed. Cir. 1988). It is improper to use the claimed invention as an instruction manual or template to piece together the teachings of the prior art so that the claimed invention is rendered obvious. *In re* Fritch, 972 F.2d 1260, 23 U.S.P.Q.2d 1780 (Fed. Cir. 1992). Because the Examiner has merely used Applicant's claims as an instruction manual to piece

together the centralized billing system disclosed in *Ronen* with the authorization process disclosed in *Weber*, Applicant respectfully submits that the proposed *Ronen-Weber* combination is improper and should not be used here to reject Applicant's claims.

Furthermore, even if the proposed *Ronen-Weber* combination is proper, which Applicant disputes, the proposed combination would not result in Applicant's claimed invention. To the contrary, because neither reference discloses handling authorization of a transaction differently based upon whether a micro-payment is involved, a modification of the centralized billing system disclosed in *Ronen* to include the authorization process disclosed in *Weber* merely results in a system that allows consumers to pre-define methods for paying for items purchased online with authorization for each type of transaction. As disclosed in *Ronen*, such a system might allow a consumer to purchase an item using a pre-defined method of payment. Upon selecting an item, the appropriate account would be authorized as disclosed in *Weber* and charged. Thus, the proposed combination would not result in Applicant's claimed invention as there is no differentiated treatment of authorization based upon the amount of the transaction.

For at least these reasons, Applicant respectfully submits that the proposed *Ronen-Weber* combination is improper. Accordingly, the rejection of Applicant's claims over the proposed *Ronen-Weber* combination should be withdrawn.

CONCLUSION

Applicant has now made an earnest attempt to place this case in condition for immediate allowance. For the foregoing reasons and for other reasons clear and apparent, Applicant respectfully requests reconsideration and allowance of all pending claims.

Applicant does not believe any fees are due. However, the Commissioner is hereby authorized to charge any additional fees or credit any overpayment to Deposit Account No. 05-0765 of Electronic Data Systems Corporation. If there are matters that can be discussed by telephone to advance prosecution of this application, Applicant invites the Examiner to contact its attorney at the number provided below.

Respectfully submitted,

Baker Botts L.L.P.
Attorneys for Applicant

David G. Wille
Reg. No. 38,363

Dated: June 9, 2004

CORRESPONDENCE ADDRESS:
2001 Ross Avenue, Suite 600
Dallas, Texas 75201-2980
(214) 953-6595
(214) 661-4595 - Fax

35005

Patent Trademark Office